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SUBJECT: LABOR INSPECTORS RECEIVE ADDITIONAL TRAINING

Classified By: Deputy Chief of Mission James Nealon for Reasons 1.4 (c, d)

- 11. (SBU) Summary: The Ministry of Labor (MOL) recently honored 348 labor inspectors who had completed USAID-funded training on the rights of unions and on workplace subcontracting. Vice Minister of Labor Fernando Garcia said the training demonstrated the MOL's commitment to professionalize the labor inspectorate, and he promised additional programs to strengthen protections for Peruvian workers. Union officials welcomed the inspector training but suggested the MOL do more to enforce labor law. Even the MOL's critics acknowledge the training shows the Labor Ministry's commitment to closing the gaps in Peru's system of labor protections. End Summary.
- 12. (SBU) On October 16, the MOL held a ceremony honoring 348 labor inspectors who had completed a USAID-supported workshop providing training in union rights, direct and indirect labor contracting, and informal employment. One of the inspectors told Poloff that the workshop offered the most thorough training he had received in 20 years with the MOL. The National Director of Inspections, Jorge Aranibar, said the training would help inspectors to take a more active role in identifying and solving workplace problems before legal complaints are filed. Aranibar said the workshop showed the MOL had understood complaints from unions and businesses about poorly trained inspectors and had responded with a program that gave inspectors a thorough background in labor legislation.
- 13. (SBU) Vice Minister of Labor Garcia promised additional programs to strengthen labor protections, noting the MOL had plans to increase the number of inspectors in Lima from 290 to 334 by 2008. He also said that the MOL would create an Office of Business Responsibility to disseminate information on labor rights to small business and would begin issuing "Certifications of Labor Compliance" to business that followed sound labor practices. VM Garcia said the MOL took its responsibility to protect workers seriously and recognized protecting worker's rights was crucial to successful implementation of the Peru Trade and Promotion Act (PTPA).
- 14. (C) Union leaders welcomed additional training for labor inspectors but questioned the MOL's focus. Juan Jose Gorritti, foreign secretary of Peru's largest union -- the General Confederation of Peruvian Workers (CGTP) -- said Lima

already had a sufficient number of inspectors; the problem, he said, was in the countryside, where two or three officials are responsible for covering entire provinces. Gorritti said the system's real weakness was the government's failure to enforce labor laws. He added that sanctions were adjdicated in civil courts and often took years to resolve. As a result, businesses frequently ignored MOL fines, and inspectors were unable to rectify or improve unsafe work conditions. (Comment: The CGTP planned nationwide protests November 8 to call attention to the Garcia's government's failure to fulfill its promises on various fronts, including — union leaders claim — to secure binding labor protections in the PTPA. These protests are separate from wildcat strikes declared by dissidents within the mining union. End Comment.)

15. (C) Comment: Even the MOL's union critics admitted that the Labor Ministry was making good-faith efforts to overhaul and enforce Peruvian labor legislation. The MOL receives less than .1 percent of the federal budget but continues to develop initiatives to strengthen the formal system of labor protections by easing paperwork requirements for businesses, creating working groups to combat forced labor, and raising the minimum wage. Peru's unions rightly point out that much remains to be done. The USAID-supported training workshop is evidence that even small projects can meaningfully advance worker rights. It also highlights the GOP's willingness to collaborate with international donors on an issue that will gain increased attention if/when the PTPA is approved. End Comment.

MCKINLEY